

SPECIAL COMMITTEE ON THE CIVIC CENTER

March 9, 2004

5:00 PM

Chairman Osborne called the meeting to order.

The Clerk called the roll.

Present: Aldermen Osborne, Gatsas, Guinta, Sysyn, O'Neil

Messrs.: Aldermen Roy and Shea, Tim Bechert

Chairman Osborne addressed item 3 of the agenda:

3. Update by Tim Bechert, General Manager of the Verizon Wireless Arena.

Chairman Osborne stated I wouldn't know who is new to this committee, I know I am...who else is new...I know Mary isn't...a couple of us anyway don't know what the past was like and would like a little bit of information.

Mr. Bechert stated thank you very much for giving me the opportunity to address you. I'm not exactly sure where to start but I can start with some generalities by saying that the Verizon Wireless Arena has experienced tremendous success since its opening two years ago. We're now in our third fiscal year, obviously, and in the previous two years just some benchmarks or notables that we've been able to achieve...we've been recognized in the industry as the third highest grossing arena...15,000 or less in the world two years running which in itself is a major achievement. We certainly have put Manchester on the map and we are now recognized as a must play for most of the tours including the major market, major tours that are out on the road nowadays. In addition, we've been...this year we've actually received additional honors by being named one facility in event magazines prime site award winners, they recognize 55 entertainment venues which include stadiums, arenas, theaters throughout the US and Canada and we've been named one of the top sites again in US and Canada...that's the first time we've received that distinction. We also, this year, received the Commissioner's Award for service excellence from the Economic Department of the State...as hopefully most of you are aware we were also awarded last year the opportunity to host the 2004 NCAA Division I Men's Hockey Championship, we've also been awarded that same tournament in 2007 and we are continuing to submit bids in hopes of landing it for future years. We also have been able to land with the help

of the Manchester Monarchs the AHL All-Star Classic in 2005 next year. I'm still actively pursuing a nationally-recognized event for 2006 but I'm sure we'll be able to land it between now and then. The financial success of the building, hopefully most of you are aware continues to grow. Our first two years were tremendously successful...without getting into too much detail and complicating things I will share with you that the debt service which we are obligated to pay down on behalf of the City is excelling, we've been given 15 years to do that. At our current rate we will have achieved that objective within 9 years and all indicators are that we will be able to do such, if not sooner. Comparing our previous two years with where we are in the beginning of the third fiscal year, we are surpassing the previous two year's performance year-to-date and by all measures this should be our biggest and best year to date since opening. So, again, generally speaking the building is very healthy. We are nationally and internationally recognized, we are continuing to bring the events (of all kinds) hopefully for all demographics, all ages and we don't see that stopping anytime in the near future.

Chairman Osborne asked what would you say is the big difference from last year?

Mr. Bechert replied I think the biggest difference that we have been able to see...not necessarily see, but what we've been able to achieve is continued growth based on our past performance. A lot of people like to say it's a "honeymoon"... honeymoon's last a year, this is hopefully going to last at least 15 years and we see no signs of that slowing down. We've been able to capture and develop on our previous history where, quite frankly, a lot of other buildings have not, they've fallen by the wayside, they're already experiencing financial trouble...we're continuing to grow, we're bucking the trend nationally, our tickets sales and our event numbers continue to grow and that is not the case throughout the rest of the country.

Chairman Osborne in reference to the concessions asked how has that been over the couple of years, is that getting larger or what?

Mr. Bechert replied the hot dogs are great, pizza's still warm, the numbers are continuing to grow and we're also seeing growth in that area as well.

Alderman Gatsas asked when did you know about the 2007 venue for the NCAA?

Mr. Bechert replied it was actually awarded us at the same time as the 2004, so that would have been July...it's been a while, the same time we were awarded the bid for 2004.

Chairman Osborne stated we were just looking for a little update...I didn't know much about it before I became Alderman...I didn't vote for it...is there anything else you can tell us? What you've discussed in the past and so on.

Mr. Bechert replied no. Our meetings have been few and far between and that's not necessarily a bad thing. I have the comfort level of knowing that I can reach out to any of you members if issues arise. Fortunately, we haven't had any. It's been a fantastic experience and we're very confident in our ability to continue to make this building a tremendous success and it's comforting again, as I said, to know that we have the support of the Aldermen, if need be, but we've been very fortunate. We have a wonderful working relationship, I believe, with the City and the support that we've received from the community at-large has been tremendous as well and certainly plays into the overall success of the building. There aren't really any issues to discuss. We've had a great run.

Chairman Osborne asked what about the parking situation.

Mr. Bechert stated parking is not an issue as far as the arena is concerned, at all.

Chairman Osborne asked if the baseball stadium comes do you think there'll be an issue there?

Mr. Bechert replied I'm not an authority on baseball and I'll leave that to you guys, thank you. I honestly don't know, I haven't studied it.

Alderman Gatsas interjected do you think there's an authority on baseball in this committee.

Alderman Shea stated you're hosting the Men's NCAA, how about the Women's have you thought about having any Women's Hockey down at the arena?

Mr. Bechert replied we would be open to it, I know the University of New Hampshire is hosting the Women's Frozen Four again, I believe it's next year 2005. In order for us to do any collegiate event it has to be hosted by a University Division I, so it would take the cooperation with the University of New Hampshire or another Division I school in order to do that. I think because of the size of the Women's tournament it's probably better suited and certainly gains the University more coverage by doing it on their home ice.

Alderman Shea stated you have no games say between UNH Women and Dartmouth Women or anything of that nature.

Mr. Bechert stated the table is open we just haven't been approached about Women's Hockey but certainly we would be more than happy to sit down and talk to them as we do the Men's.

Alderman O'Neil stated SMG and Tim Bechert were not the original building operator or manager and I think...I won't say we lucked out, but we're very fortunate that SMG is our building operator and that Tim Bechert got assigned to our building and has done a great job.

Mr. Bechert stated thank you very much, I appreciate it.

Alderman Roy stated as the building operator is there anything you can see...one of the questions that goes unasked when people are in the hot seat which you're in right now is what we can do to help you. As you look at being a member of our community now, what can we do as a Board of Mayor and Aldermen to entice help, assist...

Mr. Bechert replied I think you're doing everything that you need to do as a Board. Again, what our responsibilities are I think we're meeting that without having to go to you for assistance. In saying that again I reiterate that it is incredibly comforting to know that that type of outreach exists and it is available to me if the occasion arises. But, quite frankly, we've been able to operate within the guidelines and we've been able to produce a successful building and I don't foresee anything quite frankly in the near future that you aren't already doing that I would ask you to do or ask you to assist in, it really has been a tremendous experience and one that I am sure will continue. But, again, I want to thank everybody because I do know that the opportunity is there if needed to reach out and ask for assistance.

Alderman O'Neil stated going into your third fiscal year, I know in the fall you had the circus here for the first time. Are there any events that haven't been here that you hope to...any type of events or have you pretty much brought in anything and everything?

Mr. Bechert replied oh no, there's a whole host of things that we haven't done yet that we will be continuing to bring to the City. We're going to be hosting a free-style motorcycle event this summer "Crusty Demons"...you should start seeing ads running soon but we haven't had anything of the like of that in the building. We're looking for either a professional rodeo or professional bull riding is something that has done tremendously well in the region, we'd like to bring something like along. What I do everyday is look for those types of events, events that financially make sense and continue to cater to the vast population and

making sure everybody is seeing something that they like and enjoy in Manchester. The book is never closed and there's always new events that are being created. Clifford the Big Red Dog, I think is coming this summer as well just for those of you that have young kids.

Alderman Shea asked when people go to events to you break down where they come from, the proportion of people from Manchester versus the people from outside of Manchester, how would you break that down for different events, for example, hockey.

Mr. Bechert replied hockey I can't speak to with authority because the ticketing is done with the hockey team itself, that would be a question better addressed to Jeff Eisenberg, but I can tell you for our concerts, family shows we're still seeing a vast majority of the ticket sales coming probably within a 15-20 mile radius of Manchester...that's incredibly encouraging for us as operators for two reasons: one, we're reaching our home base...the support is there and we've been able to experience a tremendous success with our local region, but we have the rest of our lives with this building to continue to branch out and reach the Seacoast area, to reach northern Massachusetts, to reach Vermont, to reach Maine, and we are getting that population base in here but our initial focus was to make sure that we have home turf and are able to succeed within ourselves and that's been demonstrated.

Alderman Shea stated the major composition of people right now are within a 15-20 mile radius of Manchester, but you don't know how many Manchester residents proportionately come.

Mr. Bechert stated I'm sure we would have the ability to break it down, I don't know if off the top of my head. We do it by zip codes.

Alderman Shea stated I know that at one time...I think it was 40/60 or 30/70 or something like that.

Mr. Bechert stated depending on the time of the year and the types of events it can change, but speaking in general...

Alderman Shea stated I was just wondering because when we were presented something and I'm jumping from one sport to another...the other venue that's coming in they indicated...

Mr. Bechert interjected the Wolves.

Alderman Shea stated that's the third one...I was thinking more of the baseball situation but the marketing man said there's about a half-a-million people within a...I don't know if he said a 30-mile radius of Manchester or thereabouts and I was wondering if those were the types of people we would depend on if we had the stadium to patronize it.

Mr. Bechert replied I guess my answer to that...again, is not one speaking with authority on baseball because it really is an apples-to-apples, what we do with the building obviously is more than just hockey we're also bringing the circuses and the other family type of events so what they're going to be reaching out to achieve is not necessarily our objective, I think we have greater flexibility, quite frankly, just because of the diversity of programs that we do. So, I'm not exactly sure how to answer that.

Chairman Osborne stated, Mr. Bechert, you said about a 15-20 mile radius...would you say that within that radius of the City of Manchester you're probably getting somewhere between...probably less than 2% of the total population of 107,000 in the City.

Mr. Bechert stated I don't know, those were quick numbers.

Chairman Osborne stated I'm just trying to get an approximate number of how many people actually from Manchester go there as to the outskirts.

Mr. Bechert stated off the top of my head I really don't know but I'd be more than happy to look at it and give you an answer.

Chairman Osborne stated I just thought we could figure it that way. You've got 8,000 seats.

Mr. Bechert stated we have 10,000 seats, 11,700 is our true capacity...for most events anywhere from 8,500 to 10,500. For hockey we're at 10,000.

There being no further business to come before the committee, on motion of Alderman O'Neil, duly seconded by Alderman Sysyn, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee